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INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
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RUEHAK/AMEMBASSY ANKARA 4865
RUEHBJ/AMEMBASSY BEIJING 2635
RUEHKO/AMEMBASSY TOKYO 2500
RUEHIT/AMCONSUL ISTANBUL 3109
RUCPDO/DEPT OF COMMERCE WASHDC
RHEHNSC/NSC WASHDC
RHMFIUU/CDR USCENCOM MACDILL AFB FL
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEKJCS/JOINT STAFF WASHDC
RUEKJCS/SECDEF WASHINGTON DC
RUEHVEN/USMISSION USOSCE 3345

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SENSITIVE
SIPDIS

STATE FOR SCA/CEN, EEB

E.O. 12958: N/A

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SUBJECT: TURKMENISTAN: CAUTIOUS OPTIMISM ABOUT A
TRANSCASPIAN FIBER OPTIC CABLE

¶1. (SBU) Sensitive but unclassified. Not for public Internet.

¶2. (SBU) The Amcit Managing Director for Global Solutions of U.S. company, Tyco Telecommunications, and Mamia Sanadiradze, CEO of Georgian partner Caucasus Online, said in a meeting with Economic Officer on February 22 that they were in Turkmenistan to discuss with the Turkmen Government their proposal to lay fiber optic cable underneath the Caspian Sea. This cable would provide Turkmenistan an option for linking to international communications networks that would be cheaper and potentially more secure than what the country currently uses, which goes through Moscow. The European Bank for Reconstruction and Development (EBRD), also a partner of Tyco and Caucasus Online in this project, organized the schedule of meetings held with Deputy Chairman for Transportation and Communications, Nazarguly Shagulyev, the head of Turkmen Telecom, and Minister of Communications, Owlyaguly Jumagulyev.

¶3. (SBU) On February 26, they said that Shagulyev appeared to show significant interest about halfway through the hour-long meeting. They were less sure about the meeting with Turkmen Telecom, which has a long-standing relationship with Russian cellular service provider MTS. (NOTE: In fact, the Tyco Managing Director and Sanadiradze observed very friendly interaction between Turkmen Telecom officials and a representative of MTS who happened to arrive at the building just after the meeting. END NOTE.) Their meeting with the Minister of Communications turned out to be an informal five-minute meeting in a hallway because he was busy preparing for his trip as part of President Berdimuhamedov's delegation to Uzbekistan. Nevertheless, he was "interested and receptive." They observed that "officials further down the food chain" were significantly more defensive than higher-ranked officials. In a few weeks they will present a document outlining the business proposition that will clarify the financial plan to the Turkmen. They felt that the participation of EBRD gave needed credibility to the project. They are also considering proposing some capacity building or other goodwill projects, such as creating a fiber optic structure in Ashgabat for Turkmen Telecom.

14. (SBU) COMMENT: The Tyco and Caucasus Online representatives said that they were "cautiously optimistic" about the potential of the project and said that they would keep us informed. Many people on both sides of the Caspian -- and Atlantic, and probably Pacific -- have an interest in the success of this venture, but the ball is in the Turkmens' court. It will have to get through the onerous interagency process before anything happens. END COMMENT.
MILES